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 THE APPRAISAL OF CONTENT IS TENTATIVE.
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- On 14 April 1954 Col. Jose Luis MORALES, Guatemalan Military Attache in Honduras, stated, during a period of drinking, that recent government condemnations of activities of Guatemalan oppositionists were true. According to MORALES, Lt. Col. Carlos CASTILLO Armas has strong backing and is feared by the Guatemalan Government. When asked why CASTILLO was not eliminated if he represented such a danger, MORALES said that it would be extremely risky to kill CASTILLO because of his prestige in the armed forces. Rather than do away with CASTILLO, the Guatemalan Government is spending large sums of money to keep him under close surveillance. It is MORALES' opinion that the Army could be persuaded to back CASTILLO in the event of an armed uprising, and for this reason the government is attempting gradually to limit the number of arms now in the control of the Army. Simultaneously, the government is building up the armed strength of the labor unions, which represent the principal support of the ARBENZ regime.
- In regard to political matters involving neighboring countries, MORALES ~~stated~~ ^{praised} Roberto CANESSA, Salvadoran Foreign Minister, and praised Jose FIGUERES, Costa Rican President. He said that he did not believe that FIGUERES would be able to oust the Yankees from Costa Rica, although the Guatemalan Government was of the opinion that this objective will be accomplished. Turning to Panamanian affairs, MORALES said that President REMON's cooperation with Guatemala resulted in the fact that Jorge Isaac DELGADO, former Panamanian diplomat in Nicaragua, revealed the revolutionary plans of the Guatemalan exiles. With respect to Latin America as a whole, MORALES said that those countries which backed the United States at the Tenth Inter-American Conference at Caracas did so with the expectation of getting economic aid which thus far has not been received.

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